

Message Text

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70

ACTION OPIC-12

INFO OCT-01 ARA-16 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 TRSE-00 XMB-07 CIEP-02 LAB-06

SIL-01 OMB-01 L-03 IGA-02 /094 W

----- 041454

R 241703Z JUL 73

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 4999

LIMITED OFFICIAL USE SANTIAGO 3281

PASS OPIC, EXIM AND TREAS

E.O. 11652: GDS

TAGS: EIND, CI

SUBJECT: STANDARD ELECTRIC TAKEOVER

REF: SANTIAGO 2910

1. ITT-OWNED STANDARD ELECTRIC MANAGER, MIGUEL CARAM, TOLD EMBASSY THAT SE'S UNION LEADERS ON JULY 18 HAD MET WITH ECON MINISTER CADEMARTORI WHO INFORMED THEM THAT GOC HAD DECIDED TO MOVE SE INTO SOCIAL AREA AND THAT INTERVENTION DECREE EFFECTING DECISION WOULD BE ISSUED JULY 23.

2. CARAM SAID THAT AFTER RECEIVING THIS NEWS HE VISITED VARIOUS GOC OFFICIALS TO MAKE SURE THEY UNDERSTOOD THAT ITT WOULD CEASE PARTICIPATING IN FIRM (AND, BY IMPLICATION, CEASE SHIPMENTS OF TELEPHONE PARTS) AS SOON AS SE WAS INTERVENED. CARAM SAID THESE OFFICIALS WERE UNAWARE THAT DECISION HAD BEEN MADE TO INTERVENE SE. IN FACT, JAIME SCHATZ, HEAD OF COMMUNICATIONS REGULATORY AGENCY, BEFORE CARAM HAD CHANCE TO RAISE INTERVENTION ISSUE, ASKED CARAM ABOUT POSSIBILITY ENLISTING ITT'S HELP IN SECURING FURTHER CREDIT \$6 MILLION FOR TELEPHONE EXPANSION

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PROGRAM. WHEN SCHATZ TOLD OF GOC DECISION HE IMMEDIATELY

INFORMED OTHER GOC OFFICIALS AND MILITARY.

3. LATE JULY 20 CARAM ATTENDED MEETING REQUESTED BY SE'S UNION LEADERS AND WAS TOLD THAT THEY HAD AGAIN MET WITH MINECON CADEMARTORI. THIS TIME THEY WERE INFORMED THAT GOC HAD RECONSIDERED QUESTION AND DECIDED IT WOULD NOT REPEAT NOT INTERVENE SE.

4. CARAM REPORTS SE IN TURMOIL OVER CONTINUING WORKER CONTROL OF FACTORY AND SE'S UNRESOLVED FUTURE. SE TECHNICIANS INCREASING PRESSURE ON CARAM TO HELP THEM FIND JOBS OUTSIDE CHILE AND CARAM NO LONGER TRYING TO STOP THEM FROM GOING. ALTHOUGH SOME OFFICIALS AND SE'S WORKERS CONTINUE TO PRESS CARAM TO DISCUSS POSSIBILITY OF SE BEING MOVED INTO "MIXED" AREA, CARAM REFUSING TO DISCUSS ANYTHING UNLESS FIRM TURNED BACK TO HIS CONTROL. CARAM THINKS GOC HAS MERELY POSTPONED TAKEOVER UNTIL BULK OF SHIPMENTS TELEPHONE PARTS HAVE BEEN RECEIVED IN ABOUT TWO MONTHS TIME.
DAVIS

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Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
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ISecure: 1
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EO Systematic Review
30 JUN 2005

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